

**Natural Resources and Environmental Protection Cabinet  
Kentucky Department for Environmental Protection  
Division for Air Quality**

**PERMIT  
MARATHON ASHLAND PETROLEUM LLC  
539 South Main Street  
Findlay, Ohio 45840**

**RE: Operating Permit for Paducah Bulk Terminal located at 201 Ashland Avenue, Paducah**

Pursuant to your application which was determined to be complete by this office on June 11, 1990, the Natural Resources and Environmental Protection Cabinet issues this permit for the operation of the equipment specified herein in accordance with the plans, specifications, and other information submitted with your application. This permit has been issued under the provisions of KRS Chapter 224.10-100 and regulations promulgated pursuant thereto and is subject to all conditions and operating limitations contained herein. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by this Cabinet and/or other state, federal, and local agencies.

<u>EMISSION UNIT</u>	<u>AFFECTED FACILITY</u>
01 (601)	402,906 gal. Kerosene Tank 601

APPLICABLE CONDITIONS  
See General Conditions.

<u>EMISSION UNIT</u>	<u>AFFECTED FACILITY</u>
02 (602)	402,906 gal. Kerosene Tank 602

APPLICABLE CONDITIONS  
See General Conditions.

<u>EMISSION UNIT</u>	<u>AFFECTED FACILITY</u>
03 (603)	402,906 gal. Kerosene Tank 603

APPLICABLE CONDITIONS  
See General Conditions.

No deviation from the plans and specifications submitted with your application or the conditions specified herein is permitted, unless authorized in writing by the Division for Air Quality. Violations of the terms and conditions contained herein shall be grounds for the Department to seek revocation of this permit. All rights of inspection by the representatives of the Division for Air Quality are reserved. Responsibility for satisfactory conformance with all Air Quality Regulations must be borne by the permittee.

PERMIT NUMBER: F-96-031 (Revision 1)

Issued this 20th day of May 1998

FILE NUMBER: 072-2460-0017

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John E. Hornback, Director

REGION: Paducah/Cairo

*Robert W. Logan*

COUNTY: McCracken

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Commissioner

SIC CODE: 5171

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<u>EMISSION UNIT</u>	<u>AFFECTED FACILITY</u>
04 (604)	717,192 gal. Gasoline Tank 604

APPLICABLE CONDITIONS

See General Conditions.

<u>EMISSION UNIT</u>	<u>AFFECTED FACILITY</u>
05 (605)	707,238 gal. Gasoline Tank 605

APPLICABLE CONDITIONS

See General Conditions.

<u>EMISSION UNIT</u>	<u>AFFECTED FACILITY</u>
06 (606)	1,253,826 gal. Gasoline Tank 606

APPLICABLE CONDITIONS

See General Conditions.

<u>EMISSION UNIT</u>	<u>AFFECTED FACILITY</u>
07 (607)	2,093,154 gal. Gasoline Tank 607

APPLICABLE CONDITIONS

See General Conditions.

<u>EMISSION UNIT</u>	<u>AFFECTED FACILITY</u>
08 (608)	19,446 gal. Ethanol Tank 608

APPLICABLE CONDITIONS

Pursuant to State Regulation 401 KAR 59:485, incorporating 40 CFR 60, Subpart Kb by reference, all storage tanks shall comply with the recordkeeping requirements of 40 CFR 60:116b (a) and (b), by maintaining records of vessel dimensions for the life of the source.

<u>EMISSION UNIT</u>	<u>AFFECTED FACILITY</u>
09 (609)	19,446 gal. Additive Tank 609

APPLICABLE CONDITIONS

See General Conditions.

<u>EMISSION UNIT</u>	<u>AFFECTED FACILITY</u>
10 (610)	7,980 gal. Additive Tank 610

APPLICABLE CONDITIONS

See General Conditions.

PERMIT - Continued

**EMISSION UNIT**      **AFFECTED FACILITY**

11      (-)      Two Bay Loading Rack with 6 Loading Arms each and a Vapor Combustion Unit

**APPLICABLE CONDITIONS**

1. The source shall comply with applicable requirements of 401 KAR 60:500, incorporating by reference 40 CFR 60, Subpart XX.
  - a. In accordance with 40 CFR 60.502(b), total organic compound concentration emitted from the vapor collection system shall not exceed 35 milligrams per liter gasoline loaded.
  - b. Loading into gasoline tank trucks, in accordance with 40 CFR 60:502(e), shall be limited to vapor-tight gasoline tank trucks.
  - c. Testing procedures for the VOC emissions from truck loadout of gasoline shall be in accordance with 40 CFR 60:503. The permittee must maintain on-site the capability to monitor the delivery tank pressure during a performance test or an inspection, at the request of the Cabinet.
  - d. Monthly records of leak inspections performed during the loading of gasoline tank trucks, of the vapor collection system, the vapor processing system, and each loading rack handling gasoline, as well as tank truck performance test results (yearly updates) and tank truck vapor tightness documentation, shall be kept on site, as specified by 40 CFR 60.505.
2. Pursuant to 40 CFR 63, Subpart R, the permittee must comply with § 63.420 (d), contingent upon an emission screening equation value, ET, less than 0.5. The source shall utilize a modified emission screening equation, ET, based on a November 21, 1996 EPA guidance memorandum Guidance Concerning Notifications Required by December 16, 1996 Under Gasoline Distribution NESHAP (40 CFR Part 63, Subpart R), as follows:

$$E_T = CF [0.59 (T_F) (1 - CE) + 0.17 (T_E) + 0.08 (T_{ES}) + 0.038 (T_I) + 8.5E-06 (C) + 4.5E-09 (EF + L) (Q)] + 0.04 (OE)$$

where OE is defined as the total hazardous air pollutants from other emission sources not specified in the  $E_T$  parameters (mg total organic compounds/day) and all other parameters are defined as such in § 63.420 (a)(1).

However, the equation can only be used if the value of OE divided by 25 is less than or equal to five percent of ET. Records of the use of and the calculations of the emission screening equations must be kept on site and reports of a modification must be provided to the Division, as stated in § 63.428 (j).

3. To limit emissions of total volatile organic compounds to 99.00 tons per year, total gasoline throughput for the facility shall remain below 300,000,000 gallons per year.

**EMISSION UNIT**      **AFFECTED FACILITY**

12      (-)      Barge Backloading

**APPLICABLE CONDITIONS**

To limit emissions of total volatile organic compounds to 99.00 tons per year, total gasoline backloaded shall remain below 4,771,000 gallons per year.

PERMIT - Continued

**GENERAL CONDITIONS:**

**A. Administrative Requirements**

1. The permittee shall comply with all conditions of this permit. Noncompliance shall be (a) violation(s) of State Regulation 401 KAR 50:035, Permits, Section 7 and is grounds for an enforcement action including but not limited to the termination, revocation and reissuance, or revision of this permit.
2. This permit shall remain in effect for a fixed term of five (5) years following the original date of issue (May 14, 1996). Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted to the Division at least six months prior to the expiration date of the permit. Upon a timely and complete submittal, the authorization to operate within the terms and conditions of this permit, including any permit shield, shall remain in effect beyond the expiration date, until the renewal permit is issued or denied by the Division.
3. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit.
4. The permit contained herein may be revised, revoked, reopened, reissued, or terminated for cause. The filing of a request by the permittee for any permit revision, revocation, reissuance, or termination, or of a notification of a planned change or anticipated noncompliance shall not stay any permit condition.
5. The permit does not convey property rights or exclusive privileges.
6. The permit shall be subject to suspension at any time the permittee fails to pay all fees within 90 days after notification as specified in State Regulation 401 KAR 50:038, Air emissions fee.
7. Nothing in this permit shall alter or affect the authority of the U.S. EPA to impose emergency orders pursuant to Federal Statute 42 USC 7603, Emergency orders.
8. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance.
9. Nothing in this permit shall alter or affect the authority of U.S. EPA to obtain information pursuant to Federal Statute 42 USC 7414, Inspections, monitoring, and entry.

PERMIT - Continued

**GENERAL CONDITIONS:**

**B. Recordkeeping Requirements**

1. All records and support information required by State Regulation 401 KAR 50:035, Permits, shall be retained at the source authorized by this permit for a period of five years and shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality.
2. The permittee shall perform compliance certification and record keeping sufficient to assure compliance with the terms and conditions of the permit. The DEP7007CC (Compliance Certification) form shall be submitted on or before each anniversary date (May 14th) to the Division's Paducah Regional Office. Documents, including reports, shall be certified by a responsible official pursuant to State Regulation 401 KAR 50:035, Permits, Section 6.

**C. Reporting Requirements**

1. In accordance with Regulation 401 KAR 50:055, Section 1, the owner or operator shall notify the Division for Air Quality's Paducah Regional Office by telephone as promptly as possible any deviation from permit requirements, including those due to malfunctions, unplanned shutdowns, ensuing startups, or upset conditions. Pursuant to Regulation 401 KAR 50:035, Section 7(1)(e), the notification shall describe the probable cause of the deviations and corrective actions or preventive measures taken.
2. The permittee shall furnish information, to the Division and in writing, that the Division may request to determine whether cause exists for modifying, revoking, reissuing, or terminating this permit, or to determine compliance with this permit. Upon request, the permittee shall also furnish to the Division, copies of records, reports, and other information required by the permit to be kept.

**D. Inspections**

1. The permittee shall allow the Cabinet or an authorized representative to perform the following:
  - a. Enter upon the premises where a source is located or emissions-related activity is conducted, or where records are kept;
  - b. Have access to and copy, at reasonable times, any records required by the permit:
    1. During normal office hours, and
    2. During periods of an emergency when prompt access to records is essential to proper assessment by the Cabinet;
  - c. Inspect, at reasonable times, any facilities, equipment (including monitoring and pollution control equipment), practices, or operations required by the permit. Reasonable times shall include, but are not limited to the following:
    1. During all hours of operation at the source,
    2. For all sources operated intermittently, during all hours of operation at the source and the hours

**PERMIT - Continued**

**GENERAL CONDITIONS:**

- between 8:00 a.m. and 4:30 p.m., Monday through Friday, excluding holidays, and
3. During an emergency; and
- d. Sample or monitor, at reasonable times, substances or parameters to assure compliance with the permit or any applicable requirements. Reasonable times shall include, but are not limited to the following:
    1. During all hours of operation at the source,
    2. For all sources operated intermittently, during all hours of operation at the source and the hours between 8:00 a.m. and 4:30 p.m., Monday through Friday, excluding holidays, and
    3. During an emergency.

**E. Emergencies/Enforcement Provisions**

1. The permittee shall not use as defense in an enforcement action, the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance.
2. Pursuant to State Regulation 401 KAR 50:035, Permits, Section 9, an emergency shall constitute an affirmative defense to an action brought for the noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or other relevant evidence that:
  - a. An emergency occurred and the permittee can identify the cause of the emergency;
  - b. The permitted facility was at the time being properly operated;
  - c. During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and
  - d. The permittee notified the Division as promptly as possible and submitted written notice of the emergency to the Division within two working days after the time when emission limitations were exceeded due to the emergency if the notice met the requirement of State Regulation 401 KAR 50:035, Permits, Section 7(1)(e)2, and included a description of the emergency, steps taken to mitigate emissions, and corrective actions taken.
3. Emergency provisions listed in General Condition E.2 are in addition to any emergency or upset provision contained in an applicable requirement.
4. In an enforcement proceeding, the permittee seeking to establish the occurrence of an emergency shall have the burden of proof.

**F. Compliance**

1. Except as provided in State Regulation 401 KAR 50:035, Permits, compliance by the affected facilities listed herein with the conditions of this permit shall be deemed to be compliance with all applicable requirements as of the date of the issuance of this permit.

**PERMIT - Continued**

**GENERAL CONDITIONS:**

2. Periodic testing or instrumental or non instrumental monitoring, which may consist of record keeping, shall be performed to the extent necessary to yield reliable data for purposes of demonstration of continuing compliance with the conditions of this permit. For the purpose of demonstration of continuing compliance, the following guidelines shall be followed:
  - a. Pursuant to State Regulations 401 KAR 50:012, General application, Section 1(1) and 401 KAR 50:055, General compliance requirements, Section 2(5), all air pollution control equipment and all pollution control measures proposed by the application in response to which this permit is issued shall be in place, properly maintained, and in operation at any time an affected facility for which the equipment and measures are designed is operated, except as provided by State Regulation 401 KAR 50:055, Section 1.
  - b. All the air pollution control systems shall be maintained regularly in accordance with good engineering practices and the recommendations of the respective manufacturers. A log shall be kept of all routine and non routine maintenance performed on each control device.
  - c. A log of the monthly raw material consumption and monthly production rates shall be kept available at the facility. Compliance with the emission limits may be demonstrated by computer program (spread sheets), calculations or performance tests as may be specified by the Division.
3. Pursuant to Regulation 401 KAR 50:035, Permits, Section 7(2)(b), the permittee shall annually complete and return a Compliance Certification Form (DEP 7007CC) to the Division's Frankfort office. The form shall be signed by a responsible official and shall identify the compliance status of each affected facility listed herein with respect to the terms and conditions of this permit during the previous year. The compliance certification shall be submitted to the Division no later than January 15 of each year.

**G. Additional requirements:**

1. The permittee shall maintain and make available for inspection by the Division all processing records necessary to determine plantwide emission rates. The permittee shall submit the following records to the Paducah Regional Office by the end of each month: the throughput volume of each type of product per storage tank (units of 1000 gallons/month), loading rack throughput volume (units of 1000 gallons/month) of each type of product, and the volume of each type of product backloaded onto barge (units of 1000 gallons/month), during the previous month. This data will be utilized to calculate a twelve consecutive month period total from actual monthly emissions.
2. Source-wide emissions of volatile organic compounds shall not exceed 100 tons per twelve consecutive month period, pursuant to State Regulation 401 KAR 53:035E, Permits, in order to be classified as a conditional major source. Compliance shall be determined by the methods of General Condition 25. The permittee may incorporate information discussed in General Condition 25 into the spreadsheet (Excel file ASHLAND.XLS) provided by the Division or an alternate emission calculation method to calculate actual emissions for any twelve consecutive months.

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**GENERAL CONDITIONS:**

3. The permittee shall not allow the emission of any potentially hazardous matter in such quantities or duration as may be harmful to the health and welfare of humans, animals, and plants, pursuant to State Regulation 401 KAR 57:061, Hazardous air pollutants and source categories. Specifically, the source shall not emit more than ten tons per year of any single hazardous air pollutant or twenty-five tons per year of any combination of hazardous air pollutants. Determination of compliance shall be based upon the submittal of actual emissions of hazardous air pollutants on the annual Kentucky Emissions Inventory System (KYEIS) survey.
4. In no way does this permit relieve the permittee from the responsibility of controlling odorous emissions in accordance with the ambient odor standard in State Regulation 401 KAR 53:010, Ambient air quality standards.
5. The source may store any product with a vapor pressure equal to or lower than that of gasoline in tanks 601 through 607. Notification of product changes shall be made, by compliance with General Condition 25.
6. All previous operating permits, O-79-112, S-95-246, and F-96-031 are hereby null and void.